



World Financial Center
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New York, New York 10282

BY ELECTRONIC TRANSMISSION

04-37
August 3, 2004

Ms. Jean A. Webb
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendments to Rule 6.19 -**
Submission Pursuant to Section 5c(c)(2) of the Act and Regulation 40.4

Dear Ms. Webb:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act, as amended, and Commission Regulation 40.4, the Board of Trade of the City of New York, Inc. ("NYBOT[®]" or "Exchange") is requesting approval for amendments to Rule 6.19, attached as Exhibit A, which specify the speculative position limits for Cotton No. 2 futures and options contracts.

Currently, Rule 6.19 states that the position limits will be governed by Commission Regulations, i.e., Regulation 150.2. In anticipation of the Commission either amending or repealing Regulation 150.2, the Exchange has amended its Rule 6.19 so that the speculative position limits are specified in the Rule. Except for the all months combined limit, the limits specified in Rule 6.19 are identical to the limits set forth in Regulation 150.2.

The Exchange has determined to increase the all months combined limit from 3,500 contracts to 4,000 contracts. Regulation 150.5 sets out guidelines for those position limits that are set by exchanges. Regulation 150.5(c)(2) states that "... all months-combined levels must be no greater than 10% of the average combined futures and delta-adjusted option month-end open interest for the most recent calendar year up to 25,000 contracts with a marginal increase of 2.5% thereafter. . . ." For calendar year 2003, average month-end open interest was calculated to be 143,347 contracts. Following the Commission guideline as stated above, the Cotton No. 2 limit for all months combined could be 5,459 contracts. However, the Exchange is setting the limit at 4,000 contracts.